

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Periodic Reporting
(Proposal Seven)

Docket No. RM2018-10

PUBLIC REPRESENTATIVE MOTION
FOR ISSUANCE OF INFORMATION REQUEST

(July 25, 2018)

Pursuant to 39 C.F.R. § 3001.21(a) and 39 C.F.R. § 3007.3(c), the Public Representative requests an Information Request to be issued to obtain additional information from the Postal Service to clarify the implications of its proposal to reorganize Cost Segment 3 and certain mail processing cost pools.¹ The proposed questions seek information that will allow participants to provide more constructive comments and which better evaluate whether the proposal meets applicable legal and regulatory requirements. Obtaining this information will also contribute to a better understanding of how the Postal Service has interpreted Commission rules and will allow the Commission to make a more informed decision whether Proposal One meets applicable legal and regulatory requirements, including 39 U.S.C. § 3652(e)(2) and 39 C.F.R. part 3050.

¹ Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Seven), June 29, 2018, (Petition).

Proposed Questions

Questions 1-6 seek information about the possible impact of Proposal 7 on avoided costs.

1. Please confirm that the avoided mail processing costs calculated in ACR FY2017 would differ if the Commission were to adopt Proposal 7 (and use ACR FY2017 billing determinants and discounts). See, ACR FY2017, USPS-FY17-3 - FY 2017 Discounts and Passthroughs of Workshare Items, FY17.3 WorksharingTables_Final.xls.
2. If you confirm question 1, please identify the variables which would be responsible for the change in avoided mail processing costs (e.g., mail processing cost pool productivity factors, mail processing costpool piggyback factors, mail processing cost pool volume variability factors, CRA adjustment factor, etc.).
3. Please confirm that 39 C.F.R. part 3050.11(b)(1) considers the estimated impact on avoided costs to be a “relevant characteristic of affected postal products.”
4. Did the Postal Service estimate the impact of Proposal 7 on avoided costs?
 - a. If not, please explain why the Postal Service did not do so.
 - b. If yes, please submit estimates of the impact of Proposal 7 on avoided costs.
5. Does the Postal Service believe an estimate of the impact of Proposal 7 on avoided costs would help the Commission identify potential deficiencies in Proposal 7?
6. If the Postal Service does not believe that an estimate of the impact of Proposal 7 on avoided costs would help the Commission identify potential deficiencies, please discuss the reasons for this conclusion.

Questions 7-8 seek information about changes which appear to involve transfers from manual cost pools to mechanized cost pools and vice versa.

7. The Postal Service states it “currently has no specific timeline for the retirement of the remaining [UFSM1000] machines,” and that “a portion of the material handled on the UFSM1000...will be handled manually.” See, Responses of the United States Postal

Service to Questions 1-5 of Chairman's Information Request No. 1, (July 23, 2018),
Response to Question 2.

- a. Please confirm that UFSM1000s are mechanized flat sorting machines.
 - b. If you confirm, please explain how treating flats handled on the remaining UFSM1000s as if they were manually sorted will better reflect cost causation than if the Postal Service continued to count them as mechanized handlings.
8. The Petition proposes consolidating the 1FLATPRP cost pool into the AFSM100 cost pool. Petition, at 7. Please explain how combining flat preparation operations associated with manual sorting (MODS operation 35), with flat operations associated with the automated sorting operations (associated with the AFSM100) better reflects cost causation than does retaining the current separation.

Respectfully submitted,

_____/s
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